

## COMMERCE AND INDUSTRIES SECRETARIAT

## Purchase of Handloom Cloth for Government requirements.

## OFFICIAL MEMORANDUM

No. CI 81 MSP 59, DATED BANGALORE, THE 14TH AUGUST 1959  
(SHRAVANA 23, SAKA ERA 1881).

In Official Memorandum No. CI 89 SPC 57, dated the 15th January 1958, it is ordered that Government Departments should purchase their requirements of cloth in Khadi only, the only exception being the Police Department. In exceptional circumstances and after obtaining prior sanction, it is permissible for a Government Department to buy Handloom cloth when Khadi is considered unsuitable for any special reasons or is not available.

Since the issue of the abovementioned Official Memorandum, representatives of the handloom industry have been urging that as a result of Government Policy in favour of Khadi, large stocks of handloom cloth are remaining unsold and this is causing great hardship to the handloom industry. They have pointed out that for many years past they had been supplying handloom cloth to meet the requirements of Government Departments and that their reasonable expectations have been frustrated owing to the decision of Government. They represent that stocks valued at Rs. 400 lakhs manufactured solely for supply to Government Departments have accumulated and are remaining unsold. They also point out that Khadi cloth is not suitable for use in Hospitals and that handloom cloth is cheaper than Khadi. They, therefore, request that the policy of Government may be revised, at any rate, for the current year, so that the accumulated stocks may be disposed of and some relief afforded to the handloom industry.

While Government's decision regarding purchase of Khadi was taken in January 1958, the rate contract for handloom goods was continued till 30th June 1958. The handloom industry, therefore, cannot claim that they had no notice of change of policy. However, it is seen that the handloom industry possibly not being able to foresee a change of policy, have manufactured some stocks of cloth to meet the requirements of some of the Government Departments, which they are now holding as dead stock without any demand for these goods in the open market. Having regard to this factor, Government are of the opinion that it would be reasonable to show some consideration in respect of the accumulated stocks, so that the same may be cleared and accordingly decided that handloom cloth be purchased to the extent of 50 per cent of the cloth required for Hospitals, Guest Houses and other Government Departments, except for uniforms of Class IV servants. This modification of the previous decision to purchase Khadi will hold good for the current year only and is made in order to assist the disposal of the already accumulated stocks of handloom cloth in the Apex Society.

All the Heads of Departments are requested to see that the above decision of Government is implemented.

By Order and in the name of the Governor of Mysore,

S. N. KALABHAIRAVAN,

Under Secretary to Government,

Commerce and Industries Department.